

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name TOWNSHIP OF BUEL	County SANILAC
Fiscal Year End 3-31-06	Opinion Date 6-13-06	Date Audit Report Submitted to State 6-21-06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

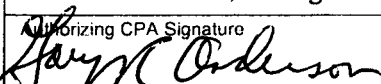
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	N/A	
Other (Describe)	<input type="checkbox"/>	N/A	
Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.		Telephone Number 989-673-3137	
Street Address 715 East Frank St. Caro, Michigan 48723-1623		City	State Zip
Authorizing CPA Signature 	Printed Name GARY R. ANDERSON		License Number 1101005476

**TOWNSHIP OF BUEL,
SANILAC COUNTY, MICHIGAN**

Report of Financial Statements
March 31, 2006

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

June 13, 2006

REPORT OF INDEPENDENT AUDITOR'S

Township of Buel
Sanilac County, Michigan

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Buel as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Buel Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Buel's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Buel as of March 31, 2006 or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Buel Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWNSHIP OF BUEL, SANILAC COUNTY

Combined Balance Sheet -
All Fund Types & Account Groups
March 31, 2006

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE
	GENERAL	SPECIAL REVENUE (ROAD)	CURRENT TAX COLLECTION FUND
<u>ASSETS</u>			
Cash on hand & in bank	\$ 287,822	\$ 29,033	
Due From Other Funds	2,528	2,377	
Taxes Receivable			\$ 52,474
Account Receivable	1,900		
Fixed Assets			
<u>TOTAL ASSETS</u>	<u>\$ 292,250</u>	<u>\$ 31,410</u>	<u>\$ 52,474</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES			
Due To Other Units	\$ -		\$ 47,569
Due To Other Funds			4,905
<u>TOTAL LIABILITIES</u>	<u>-</u>	<u>-</u>	<u>52,474</u>
FUND EQUITY:			
Undesignated Funds	\$ 292,250		
Designated Funds		\$ 31,410	
Investment in general fixed assets			
<u>TOTAL FUND EQUITY</u>	<u>292,250</u>	<u>31,410</u>	<u>-</u>
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>\$ 292,250</u>	<u>\$ 31,410</u>	<u>\$ 52,474</u>

The accompanying notes are an integral part of the financial statements.

<u>ACCOUNT GROUP</u> <u>GENERAL</u> <u>FIXED</u> <u>ASSETS</u>	<u>TOTALS</u> <u>(MEMORANDUM ONLY)</u> <u>March 31, 2006</u>
	\$ 316,855
	4,905
	52,474
	1,900
\$ 24,628	24,628
<u>\$ 24,628</u>	<u>\$ 400,762</u>
	\$ 47,569
	4,905
	52,474
-	
	292,250
	31,410
\$ 24,628	24,628
24,628	348,288
<u>\$ 24,628</u>	<u>\$ 400,762</u>

TOWNSHIP OF BUEL, SANILAC COUNTY
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance - All Governmental Fund Types
For the Year Ended March 31, 2006

	GENERAL	SPECIAL REVENUE	TOTALS (MEMORANDUM ONLY) MARCH 31, 2006
REVENUES:			
Taxes	\$ 33,111	\$ 29,573	\$ 62,684
Licenses and permits	450		450
Intergovernmental	86,834	-	86,834
Charges for services	2,738	-	2,738
Other revenues and refunds	4,000	158	4,158
TOTAL REVENUES	127,133	29,731	156,864
EXPENDITURES:			
Legislative	2,370	-	2,370
General government	44,988	-	44,988
Public safety	20,178	-	20,178
Public works	4,937	63,910	68,847
TOTAL EXPENDITURES	72,473	63,910	136,383
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	54,660	(34,179)	20,481
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	33,080	33,080
Operating transfer out	(33,080)	-	(33,080)
TOTAL OTHER FINANCING SOURCES (USES)	(33,080)	33,080	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	21,580	(1,099)	20,481
FUND BALANCE - BEGINNING OF YEAR	270,670	32,509	303,179
FUND BALANCE - END OF YEAR	\$ 292,250	\$ 31,410	\$ 323,660

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF BUEL, SANILAC COUNTY
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual -
General and Special Revenue Funds
For the Year Ended March 31, 2006

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUES:			
Property Taxes			
Current levy	\$ 29,700	\$ 25,866	\$ (3,834)
Administration fee	6,500	7,245	745
Licenses and permits	700	450	(250)
Intergovernmental	83,300	86,834	3,534
Charges for services			
Land division fees	1,000	40	(960)
Appeals and hearings	1,000	550	(450)
Miscellaneous	-	2,148	2,148
Other revenues and refunds			
Interest	2,000	3,990	1,990
Miscellaneous	-	10	10
TOTAL REVENUES	124,200	127,133	2,933
EXPENDITURES:			
Legislative	2,450	2,370	80
General government			
Supervisor	4,600	4,306	294
Assessor	10,500	10,130	370
Treasurer	15,025	13,368	1,657
Clerk	7,775	7,199	576
Elections	900	697	203
Board of review	1,600	1,264	336
Building and grounds	4,750	3,887	863
All other general government	5,200	4,137	1,063
Public safety			
Ambulance	8,750	8,652	98
Fire protection	11,000	8,040	2,960
Building inspection, zoning, other public safety	4,600	3,486	1,114
Public works			
Roads expense			
Drains at large	5,000	4,937	63
TOTAL EXPENDITURES	82,150	72,473	9,677
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	42,050	54,660	12,610
OTHER FINANCING SOURCES (USES)			
Operating transfer in			
Operating transfer out	(41,000)	(33,080)	7,920
TOTAL OTHER FINANCING SOURCES (USES)	(41,000)	(33,080)	(7,920)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,050	21,580	20,530
FUND BALANCE - BEGINNING OF YEAR	270,670	270,670	-
FUND BALANCE - END OF YEAR	\$ 271,720	\$ 292,250	\$ 20,530

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 27,500	\$ 29,573	\$ 2,073
200	158	(42)
27,700	29,731	2,031
73,350	63,910	9,440
73,350	63,910	9,440
(45,650)	(34,179)	11,471
46,000	33,080	(12,920)
46,000	33,080	(12,920)
350	(1,099)	(1,449)
32,509	32,509	-
\$ 32,859	\$ 31,410	\$ (1,449)

TOTALS (MEMORANDUM ONLY)		
BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
\$ 57,200	\$ 55,439	\$ (1,761)
6,500	7,245	745
700	450	(250)
83,300	86,834	3,534
-	-	-
1,000	40	(960)
1,000	550	(450)
-	2,148	2,148
-	-	-
2,000	3,990	1,990
200	168	(32)
151,900	156,864	4,964
2,450	2,370	80
4,600	4,306	294
10,500	10,130	370
15,025	13,368	1,657
7,775	7,199	576
900	697	203
1,600	1,264	336
4,750	3,887	863
5,200	4,137	1,063
8,750	8,652	98
11,000	8,040	2,960
4,600	3,486	1,114
73,350	63,910	9,440
5,000	4,937	63
155,500	136,383	19,117
(3,600)	20,481	24,081
46,000	33,080	12,920
(41,000)	(33,080)	7,920
5,000	-	(5,000)
1,400	20,481	19,081
303,179	303,179	-
\$ 304,579	\$ 323,660	\$ 19,081

TOWNSHIP OF BUEL, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS & FUND TYPES:

The Township of Buel, Michigan covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected township board and is a general law township. The Township provides many services to its residents, including public works, public safety, community enrichment, development, and human services.

The financial statements of the Township of Buel have been prepared in conformity with U.S. Generally Accepted Accounting Principals (GAAP) as applied to government units, except for not converting to GASB #34. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14 "The Financial Reporting Entity."

Based upon the application of these criteria, the general purpose financial statements of the Township of Buel contain all the funds and account groups controlled by the Township's Board as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

B. FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUNDS - are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other funds.

ACCOUNT GROUPS - are used to account for fixed assets and long-term liabilities that are not reported in the respective governmental funds.

TOWNSHIP OF BUEL, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

C. BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increase (i.e. revenues and other financing sources) and decrease (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decrease (i.e. expenses) in net total assets.

All governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

D. BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

E. CASH AND EQUIVALENTS:

Cash includes amounts in petty cash and demand deposits.

State statutes authorized the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively.

TOWNSHIP OF BUEL, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

E. CASH AND EQUIVALENTS (Continued):

They may also invest in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 40% of any fund at any time. The Township is also authorized to invest in U.S. Government of federal agency obligation repurchase agreements, bankers' acceptance of U.S. banks, and mutual funds composed of investments as outlined above.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payable are classified as "due from other funds" or "due to other funds" on the balance sheet.

G. RECEIVABLES:

Receivables consist primarily of amounts for taxes and customers charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls, which are secured by the underlying property.

H. FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are value at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed assets account group.

I. FUND EQUITY:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

TOWNSHIP OF BUEL, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

J. INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

K. MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	BALANCE MARCH 31, <u>2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE MARCH 31, <u>2006</u>
Land & Buildings	\$18,426	\$2,508		\$20,934
Furniture, Fixtures, and Equipment	<u>3,643</u>	<u>851</u>	<u>\$800</u>	<u>3,694</u>
TOTAL	<u><u>\$22,069</u></u>	<u><u>\$3,359</u></u>	<u><u>\$800</u></u>	<u><u>\$24,628</u></u>

TOWNSHIP OF BUEL, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 3 - CASH AND EQUIVALENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$316,855 and the bank balance was \$323,206, \$184,794 of which was covered by federal depository insurance.

Deposits are carried at cost. Deposits of the Township are at banks in the name of the Township Treasurer.

The U.S. Governmental Accounting Standards Board Statements No. 3 risk disclosures for cash deposits are as follows:

	<u>CARRYING AMOUNT</u>	
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>
	<u>ASSETS</u>	<u>ASSETS</u>
Cash – checking	<u>\$316,855</u>	<u>NONE</u>
TOTAL	<u>\$316,855</u>	<u>NONE</u>

All deposits are uncollateralized and insured.

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counterpart's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counter-party, or by its trust department or its agent but not in the Township's name. At March 31, 2006, the Township had no Category 1, 2 or 3 investments.

Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

NOTE 4 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Budgetary procedures are established pursuant to Act 621 PA 1978, as amended, which requires the Township Board to approve a budget for the Township. Pursuant to the act, the Township supervisor prepares and submits a proposed operating budget. This operating budget includes projected expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayers comments.
3. The budget is legally enacted through passage of a resolution.
4. The Board of Trustees must approve any revisions of the budget.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.

TOWNSHIP OF BUEL, SANILAC COUNTY
Notes to the Financial Statements
March 31, 2006

NOTE 4 - LEGAL COMPLIANCE – BUDGETS (Continued):

6. Budgets for general and special revenue funds are adopted on a basis consistent with U.S. generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations that were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 5 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. In addition, the Township collected the State Education Tax and the county tax that was levied July 1 and due September 15.

The Township levied 0.8275 mills for operations and .9792 mills for roads on a taxable value of \$30,205,607.

NOTE 6 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. For insured programs, there has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 7- GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principles (GAAP). This departure from GAAP is also noted in the audit report letter.

NOTE 8- TRANSFERS:

The general fund transferred \$33,080 to the road fund during the year.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

TOWNSHIP OF BUEL, SANILAC COUNTY
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended March 31, 2006

CURRENT TAX COLLECTION FUND

	<u>BALANCE MARCH 31, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE MARCH 31, 2006</u>
<u>ASSETS</u>				
Taxes Receivable	\$ 5,480	\$ 731,719	\$ 684,725	\$ 52,474
<u>TOTAL ASSETS</u>	<u>\$ 5,480</u>	<u>\$ 731,719</u>	<u>\$ 684,725</u>	<u>\$ 52,474</u>
 <u>LIABILITIES</u>				
Due to other funds	\$ 5,480	\$ 61,809	\$ 61,234	\$ 4,905
Due to other Governmental Units		622,916	670,485	47,569
<u>TOTAL LIABILITIES</u>	<u>\$ 5,480</u>	<u>\$ 684,725</u>	<u>\$ 731,719</u>	<u>\$ 52,474</u>

See the accompanying notes.